

HIGHER EDUCATION: ANSWERS TO FREQUENTLY ASKED QUESTIONS

How Do Student Fees Contribute to Community College Funding?

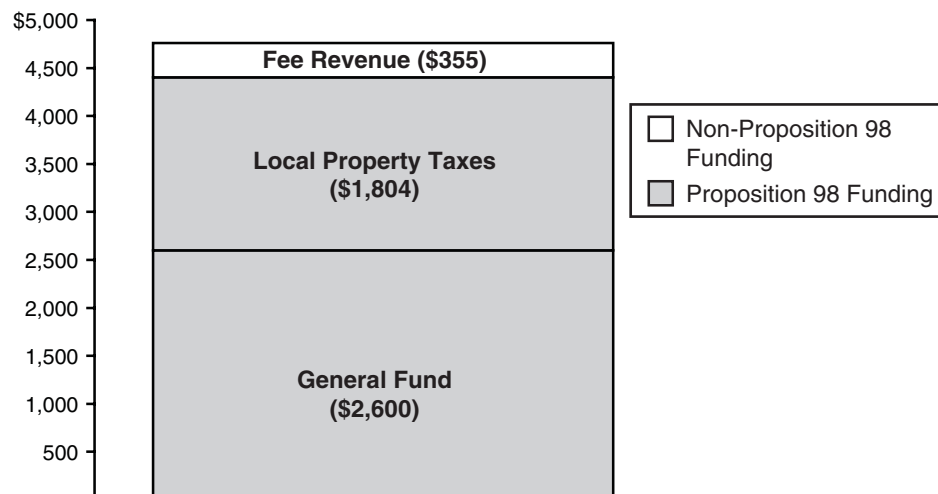


Each community college district keeps the fees it collects from its students.

- These fees contribute toward each district's "general apportionment," which is the funding source for general educational costs. The other main sources of district apportionments are local property taxes and state General Fund monies. (These two sources together make up a district's Proposition 98 funding.)
- Fee revenue is therefore on top of whatever Proposition 98 support the state provides community colleges each year.

California Community Colleges Apportionments Estimated Statewide Total

2005-06 (Dollars in Millions)





The Legislature sets community college fees in statute. When fees are increased, this generates additional revenue that is collected and retained by the districts.

- Because it is collected locally, student fee revenue is not appropriated in the annual budget act. However, because fee revenue contributes to overall community college support, the Legislature's decisions about setting fee levels and appropriating Proposition 98 support through the budget act are interrelated.
- As a practical matter, a fee increase can either *supplement* the colleges' Proposition 98 appropriations (thus increasing total resources available to the colleges), or can *supplant* Proposition 98 appropriations (thus creating savings in Proposition 98 spending). Choosing between these approaches is decided by the Legislature and Governor in enacting the annual budget act.



Functionally, fees play essentially the same funding role for community colleges as they do for the University of California and the California State University.

- For all three public higher education segments, student fees contribute to overall funding.
- For all three segments, the Governor and Legislature can use a fee increase to offset General Fund support. Alternatively, they can permit a fee increase to supplement state support.